



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

March 28, 2020

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 2nd Regular Session, which I signed on March 28th, 2020:

H.B. 2902 K-12 education; budget reconciliation; 2020-2021 (Bowers)
H.B. 2903 higher education; budget reconciliation; 2020-2021 (Bowers)
S.B. 1683 criminal justice; budget reconciliation; 2020-2021. (Fann)
S.B. 1684 revenue; budget reconciliation; 2020-2021. (Fann)
S.B. 1687 human services; budget reconciliation; 2020-2021. (Fann)
S.B. 1688 health; budget reconciliation; 2020-2021. (Fann)
S.B. 1689 environment; budget reconciliation; 2020-2021. (Fann)
S.B. 1690 budget procedures; budget reconciliation; 2020-2021. (Fann)
S.B. 1691 capital outlay; appropriations; 2020-2021. (Fann)
S.B. 1692 general appropriations act; 2020-2021. (Fann)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed
FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
Senate
Fifty-fourth Legislature
Second Regular Session
2020

CHAPTER 57
SENATE BILL 1691

AN ACT

MAKING CAPITAL OUTLAY APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE
STATE AND FOR STATE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Building Renewal

Section 1. Capital outlay appropriations; major maintenance and repair of state buildings; review; reports; reversion

A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the amounts appropriated in this section are appropriated for fiscal year 2020-2021 to be used by the applicable agency for major maintenance and repair activities for state buildings in accordance with title 41, chapter 4, article 7, Arizona Revised Statutes. Of the amount appropriated to the department of administration, up to \$275,000 in personal services and employee-related expenditures for up to five FTE positions may be allocated each fiscal year until the building renewal projects are completed. All other monies appropriated in this section may not be spent for personal services or employee-related expenditures or for maintenance contracts on building components and equipment without review by the joint committee on capital review.

B. DEPARTMENT OF ADMINISTRATION \$16,000,000

Fund source:

Capital outlay stabilization fund \$16,000,000

The department of administration shall allocate the monies to state agencies for necessary building renewal. If monies in the capital outlay stabilization fund established by section 41-792.01, Arizona Revised Statutes, are insufficient to fund the appropriation to the department of administration for building renewal, the appropriation to the department of administration is reduced by the difference between the amount appropriated to the department of administration from the capital outlay stabilization fund and the balance in the capital outlay stabilization fund.

On or before January 31, 2021 and July 31, 2021, the department of administration shall report to the joint legislative budget committee staff on the status of all capital projects and capital expenditures.

C. STATE DEPARTMENT OF CORRECTIONS \$ 5,464,300

Fund sources:

Department of corrections building renewal fund \$ 5,464,300

On or before January 31, 2021 and July 31, 2021, the state department of corrections shall report to the joint legislative budget committee staff on the status of all capital projects and capital expenditures. The department may not spend any of this appropriation on personal services or overhead expenses related to managing the funded projects.

D. ARIZONA GAME AND FISH DEPARTMENT \$ 1,157,900

Fund source:

Game and fish fund \$ 1,157,900

On or before January 31, 2021 and July 31, 2021, the Arizona game and fish department shall report to the joint legislative budget committee staff on the status of all capital projects and capital expenditures.

E. ARIZONA STATE LOTTERY COMMISSION \$ 146,700

Fund source:

State lottery fund \$ 146,700

F. DEPARTMENT OF TRANSPORTATION \$13,281,700

Fund sources:

State highway fund \$13,000,000

State aviation fund 281,700

On or before January 31, 2021 and July 31, 2021, the department of transportation shall report to the joint legislative budget committee staff on the status of all nonhighway construction capital projects and nonhighway construction capital expenditures.

G. Notwithstanding section 35-190, Arizona Revised Statutes, each appropriation made in this section that is unexpended on June 30, 2022 reverts to the fund from which the monies were appropriated.

Capital Projects

Sec. 2. Appropriation; state department of corrections;
locks; HVAC; fire suppression; review; reversion

A. The sum of \$30,000,000 is appropriated from the following funds in fiscal year 2020-2021 to the state department of corrections to replace locking, HVAC and fire suppression systems at the Lewis and Yuma state prison complexes:

1. \$11,000,000 from the state general fund.

2. \$7,000,000 from the Arizona correctional industries revolving fund established pursuant to section 41-1624, Arizona Revised Statutes.

3. \$4,000,000 from the corrections fund established by section 41-1641, Arizona Revised Statutes.

4. \$2,000,000 from the inmate store proceeds fund established by section 41-1604.02, Arizona Revised Statutes.

5. \$2,000,000 from the penitentiary land fund established by section 37-525, Arizona Revised Statutes.

6. \$2,000,000 from the state charitable, penal and reformatory institutions land fund established by section 37-525, Arizona Revised Statutes.

7. \$2,000,000 from the special services fund established by section 41-1604.03, Arizona Revised Statutes.

B. Before spending the appropriation made in subsection A of this section, the state department of corrections shall submit the scope, purpose and estimated cost of the capital improvements to the joint committee on capital review for its review pursuant to section 41-1252, Arizona Revised Statutes.

1 C. Notwithstanding section 35-190, Arizona Revised Statutes, the
2 appropriation made in subsection A of this section that is unexpended on
3 June 30, 2022 reverts to the funds from which the monies were
4 appropriated.

5 Department of Transportation Statewide Highway Construction

6 Sec. 3. Appropriation; department of transportation;
7 statewide highway construction; reports; exemption;
8 lapsing

9 A. The sum of \$378,733,000 is appropriated from the state highway
10 fund established by section 28-6991, Arizona Revised Statutes, in fiscal
11 year 2020-2021 to the department of transportation to plan and construct
12 state highways, including the national system of interstate highways
13 within this state, the state primary or secondary system, the county
14 primary or secondary system and urban rural routes, to acquire
15 rights-of-way and to provide for the cost of contracted field
16 administration and field engineering on construction projects and debt
17 service payments on bonds issued for highway construction. Any balances
18 and collections in the state highway fund that exceed the specific amounts
19 appropriated in the general appropriations act and in this act are
20 appropriated to the department for the purposes provided in this
21 paragraph.

22 B. On or before November 1, 2020, the department of transportation
23 shall report to the directors of the joint legislative budget committee
24 and the governor's office of strategic planning and budgeting on its
25 actual prior year, estimated current year and upcoming budget year highway
26 construction expenses from all fund sources, including appropriated
27 monies, federal monies, local agency monies, state highway monies, bond
28 proceeds and regional area road monies. The report shall be in the same
29 format as in the prior year unless modifications have been approved by the
30 directors of the joint legislative budget committee and the governor's
31 office of strategic planning and budgeting.

32 C. On or before November 1, 2020, the department of transportation
33 shall report capital outlay information for fiscal years 2019-2020,
34 2020-2021 and 2021-2022 to the directors of the joint legislative budget
35 committee and the governor's office of strategic planning and budgeting.
36 This information shall appear in the same format as tables two, three and
37 six, as found in the fiscal year 2019-2020 appropriations report.

38 D. On or before November 1, 2020, the department of transportation
39 shall report the department's estimated outstanding debt principal balance
40 at the end of fiscal year 2021-2022 and the estimated debt service payment
41 amount for each of fiscal years 2021-2022, 2022-2023, 2023-2024 and
42 2024-2025 to the directors of the joint legislative budget committee and
43 the governor's office of strategic planning and budgeting. This report
44 shall include state highway fund statewide construction bonds, Arizona
45 highway user revenue fund bonds, Maricopa association of governments and

1 Pima association of governments controlled access bonds, Maricopa regional
2 area road fund bonds and grant anticipation notes and is intended to be
3 comparable to the information in the fiscal year 2019-2020 appropriations
4 report.

5 E. Notwithstanding section 41-1252, Arizona Revised Statutes, the
6 appropriation made in subsection A of this section is not subject to
7 review by the joint committee on capital review.

8 F. The appropriation made in subsection A of this section does not
9 lapse until the purpose for which the appropriation was made has been
10 accomplished or abandoned, or the appropriation stands for a full fiscal
11 year without an expenditure or an encumbrance.

12 Department of Transportation Airport Planning and Development

13 Sec. 4. Appropriation; department of transportation; airport
14 planning and development; report; exemption;
15 lapsing

16 A. The sum of \$30,900,000 is appropriated from the state aviation
17 fund established by section 28-8202, Arizona Revised Statutes, in fiscal
18 year 2020-2021 to the department of transportation to plan, construct,
19 develop and improve state, county, city or town airports as determined by
20 the state transportation board. Any balances and collections in the state
21 aviation fund that exceed the specific amounts appropriated in the general
22 appropriations act and in this act are appropriated to the department of
23 transportation in fiscal year 2020-2021 for the purposes provided in this
24 paragraph.

25 B. On or before December 31, 2020, the department of transportation
26 shall report to the joint legislative budget committee staff on the status
27 of all aviation grant awards and aviation grant distributions. The report
28 shall delineate projects by individual airport and fiscal year, including
29 any future year commitments.

30 C. Notwithstanding section 41-1252, Arizona Revised Statutes, the
31 appropriation made in subsection A of this section is not subject to
32 review by the joint committee on capital review.

33 D. The appropriation made in subsection A of this section does not
34 lapse until the purpose for which the appropriation was made has been
35 accomplished or abandoned, or the appropriation stands for a full fiscal
36 year without an expenditure or an encumbrance.

37 Sec. 5. Use of appropriations; limitation

38 Unless otherwise specified, the monies appropriated in this act may
39 not be spent for personal services or employee-related expenditures of
40 state employees, excluding any services provided as part of the inmate
41 construction program for correctional facilities.

42 Sec. 6. Appropriations; lapsing; reversion

43 A. Notwithstanding section 35-190, Arizona Revised Statutes, the
44 appropriation of \$3,759,000 to the department of emergency and military
45 affairs for construction of a readiness center made by Laws 2018, chapter

1 277, section 8 that remains unexpended on June 30, 2022 reverts to the
2 fund from which the monies were appropriated.

3 B. Notwithstanding section 35-190, Arizona Revised Statutes, the
4 appropriation of \$3,875,000 to the department of emergency and military
5 affairs for construction of a readiness center made by Laws 2019, chapter
6 264, section 6 that remains unexpended on June 30, 2023 reverts to the
7 fund from which the monies were appropriated.

8 Sec. 7. JCCR review

9 Pursuant to section 41-1252, Arizona Revised Statutes, the joint
10 committee on capital review shall review the scope, purpose and estimated
11 cost of a new capital project that has an estimated cost of more than
12 \$250,000.

APPROVED BY THE GOVERNOR MARCH 28, 2020.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 28, 2020.

Passed the House March 23, 2020

by the following vote: 58 Ayes,

2 Nays, 0 Not Voting

Mark R. Boyce
Speaker of the House
Pro Tempore

Jim Drake
Chief Clerk of the House

Passed the Senate March 19, 2020

by the following vote: 29 Ayes,

1 Nays, 0 Not Voting

Karen Farn
President of the Senate

Susan Adams
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

23rd day of March, 2020,

at 1:32 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 28th day of

March, 2020,

at 12:49 o'clock P M.

Douglas R. Ducey
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 28th day of March, 2020,

at 2:00 o'clock P. M.

[Signature]
Secretary of State

S.B. 1691